

City of Corunna
Special Council Meeting
Thursday, December 27, 2001

Present: Corey, Jessen, Johnson, Mehigh, Ockerman, Runyan, Sanderson.

Absent: None.

Guests: Joe Sawyer, City Manager; Tom Wazny, Caledonia Township Supervisor; Geraldine Hagadon, Caledonia Township Trustee; Todd Rasmusson, Caledonia Township Trustee; Sue Krantz, Caledonia Township Treasurer; John Challenger, Caledonia Township Trustee, Anna VanHyfte, Caledonia Township Clerk; Joe DeCaire, Caledonia Township Trustee; Jackie Leone, The Argus Press; Judy Horton; Janet Washburn; Scott & Karen Johnson; Debbie Hoffman; Lisa Higbee; Jeff Butcher; Glenn Spencer; Kevin Kingsbury, Venice Township Supervisor; Norm Campbell, Shiawassee Township Supervisor; Thelma Hornus; Jim Diebler; Helen Granger, The Independent; and other concerned citizens.

The meeting was called to order in the Caledonia Township Hall by Mayor Corey at 7:00 p.m.

Mayor Corey advised that Tom Wazny would be the primary head of the joint meeting. Mayor Corey further advised if there are questions that are directed towards Corunna they should come to him and if there are questions that are directed towards Caledonia Township they should come to Mr. Wazny. Councilperson Johnson advised council she needed to abstain from voting tonight since she is an employee of the ambulance service. Mayor Corey advised council this request needed to be approved by the majority of the councilpersons. Runyan moved, Mehigh seconded to accept Councilperson Johnson's request to abstain from voting tonight.

Roll call vote:

Yes: Ockerman, Johnson, Sanderson, Runyan, Jessen, Mehigh.

No: None.

Motion CARRIED

Mayor Corey advised Councilperson Johnson's request passed unanimously so she would not be voting if there was a vote relating to the ambulance service. Tom Wazny advised the two boards were meeting tonight to discuss the ambulance service. Councilperson Ockerman gave a brief history of the ambulance service. He advised he did not want to be negative, and he wanted everyone to know that there is a real need for an ambulance service. He further advised he did not know of anyone who was opposed to the ambulance service or was trying to drive out the service. He also advised he has sat on the Corunna council for four years, but he is pretty aware of all of the problems that have been developing over the years. Councilperson Ockerman stated there have been problems with the billing service and management. He further stated records were not kept and that is unacceptable. The auditors cannot audit if there is no paper trail to follow. He also stated he sat on his first ambulance board meeting last Thursday and when it came to the manager's report the board was told that there was no time to prepare it so there was no manager's report. Councilperson Ockerman explained the proposed by-law changes were voted down seven to six, which would reduce the ambulance board membership from 13 to a

manageable seven. The next day while at a Christmas party at Corunna city hall he was notified by the post office that there was registered mail that had not been picked up. He also explained four members of the board went over to the post office to pick up the mail and found out the Internal Revenue Service taxes that the board was told were paid are due. The registered letter had not been picked up or signed for and no real answers were given when management was contacted. Councilperson Ockerman advised the two government entities are very frustrated because both entities want the ambulance service to survive, but the two governments cannot take the peoples money in good conscience and dump it down a hole, which is what is happening. Mr. Wazny advised he contacted the Internal Revenue Service on December 21 to find out where the ambulance service stood and was told the ambulance service owed \$1,872 for the last quarter of 1999 and only \$2,278.91 was paid for the first quarter of 2000. He further advised the amount owed to date including penalties and failure to file fees is \$6,118.55. The third registered letter indicated the ambulance service failed to pay the third quarter of 2000 taxes and the amount owed was \$3,908.89 but only \$2,185 was paid. He also advised he was told by the Internal Revenue Service that all of the fines and penalties have to be paid by January 11, 2002, and the total amount due is \$10,663. Mr. Wazny stated Karen Johnson brought him the records of the deposits that were made and the records are consistent with the amounts the Internal Revenue Service stated were paid. Mayor Corey stated according to the original ambulance service agreement dated 1993 there was suppose to be an annual audit. He asked if annual audits were done on a regular basis. Mr. Wazny advised he had audits through 1998, the 1999 audit was very incomplete, and no audits were done for 2000 and 2001. Mayor Corey asked if most of the expenses were for the years that were not audited. Mr. Wazny advised yes. Councilperson Ockerman stated the council had a city manager analysis on September 30, 2001 and council voted to notify the ambulance board that the city would step out of the agreement, but the mayor broke the tie vote so the city stayed. He further stated the Corunna Area Ambulance Service has violated paragraphs four, six, seven, 12 and 13 of the service agreement. Councilperson Mehig advised there was a lot of hard work done by both opposing forces for a lack of a better term. A meeting was held to set up a four-man committee, which included the Memorial Healthcare Center emergency services in order to make a change to the by-laws that would be acceptable to everybody, but the by-law changes were turned down on December 20 by a seven to six vote. He further advised he felt the wolf was at the ambulance service's door right now. Councilperson Johnson stated the board of directors who served on the board at that time, which included the city and the townships representatives, voted on the service agreement changes. The board of directors voted at the annual meeting to allow the operations manager and base manager to have a vote. Geraldine Hagadon stated this is one of the reasons why the by-law changes were being changed. The members-at-large and operations manager were the people who voted the by-law changes down so the people who represented the City of Corunna and Caledonia Township did not have enough votes to get the by-law changes to go through. Councilperson Ockerman stated even though there was representation, the changes had to come to the government entities for approval, which was not done. Joe DeCaire stated he worked on the ambulance service for three years when it was first started in the mid 1970's. He further stated what has happened is not what was expected when the ambulance was started. It is a shame that the situation has gone this far. Mr. Wazny agreed and stated things have gone awry. There has been poor management, decisions and contracts that have taken the ambulance service from a positive cash flow to a very negative cash flow. The ambulance service is in a position now where the ambulance service has to ask the governments for a bail out. He further stated the

ambulance service could not continue to operate as it is being operated today. Some drastic changes have to be made, but he did not know whose shoulders the responsibility would fall on. Sue Krantz asked if a new billing company was hired. Mr. Wazny advised yes and this company seems to be doing a better job of collecting. Mayor Corey stated it seemed there was no one who wanted to see the ambulance service fail. It is a necessary service for the community. He further stated the ambulance service has some serious problems and needs to be put back on track. Councilperson Runyan asked one of the four-committee members to highlight the proposed by-law changes. Mr. Wazny explained the proposed changes. Councilperson Ockerman advised the ambulance service services the following households: 326-New Haven Township, 25-Venice Township, 2,018-Caledonia Township, 1,650-City of Corunna. He further advised the ambulance board has not received Shiawassee Township's household numbers. Kevin Kingsbury, Venice Township Supervisor, advised Venice Township has 118 households that are serviced by the Corunna ambulance service, and has raised its per household fee from \$10.00 to \$25.00, which began with this years tax bills. Councilperson Ockerman advised he stood corrected. He further advised he realizes the city and Caledonia Township will have to pay more, but he could not see increasing the payment amount until the ambulance service is more accountable. Mayor Corey asked if everything is billed. Mr. Wazny advised yes, but Medicare is the biggest non-payer. Councilperson Sanderson stated it should be made clear to the public that regardless of how this situation will turn out that there will be ambulance service provided by someone. Norm Campbell, Shiawassee Township Supervisor, advised he has heard about the proposed changes but asked where the money would come from to bail out the ambulance service. If this meeting had taken place two months ago, his township would have increased the household fee this tax year, but now, the township has to wait another 12 months. He further advised he thought the purpose of the by-law changes would make the Corunna Area Ambulance Service more solvent, but he has not heard that the proposed changes would. He thought there were intelligent people on the ambulance board even though Shiawassee Township is represented by three ambulance services. Mr. Campbell stated he would like to hear if there is a plan in place if the by-laws are changed. Mr. Wazny advised he was not prepared to talk about or offer any remedies unless the City of Corunna and Caledonia Township are in the drivers seat and can steer the ship in the right direction. No figures have been discussed, but no one is going to let the ambulance service go down the tubes. He asked Mr. Campbell how many households the ambulance service provided services to. Mr. Campbell advised approximately 200 to 500. Mr. Wazny asked Mr. Campbell to check on the number of households and let the ambulance service know. Councilperson Johnson advised the failure to provide the number of governmental units is not just the ambulance service's responsibility. Thelma Hornus stated she has not heard anything from Mr. Sawyer or Councilperson Jessen. Mr. Sawyer advised he answers questions from the city council but does not take questions from the audience. Jeff Butcher stated his father lives in New Haven Township, and it sounds like the ambulance board is telling his father that his money is not as good as the money from Caledonia Township. Mr. Wazny advised New Haven Township's money is just as good as the money from Corunna and Caledonia Township. Mr. Butcher asked why only Corunna and Caledonia Township representatives could be president of the ambulance service. Mr. Wazny advised New Haven Township does not pay enough money like Corunna and Caledonia Township does. The proposed by-law change made a seat available for New Haven Township, and he did not that was unfair. He further advised if the other two townships wish to participate in every meeting then the board would not have a problem with that. It is time to conduct good business. He also

advised if Corunna and Caledonia Township are paying three-quarters or more of the ambulance fees then the two governments should be sitting in the drivers seat. Mr. Butcher advised it hurts to read in the newspaper that Mr. Wazny has said the ambulance service is going broke and no good. Mr. Butcher further advised he has heard that Mr. Wazny was checking out other ambulance services. Councilperson Johnson advised she did not think Mr. Wazny has ever said that the Corunna ambulance is no good. Mayor Corey advised the elected government officials have an obligation to make sure everyone is covered. Mr. Wazny apologized if he hurt anyone's feelings because that was not his intention. His intent was to make sure there is a backup if something does happen to the ambulance service. Mr. Butcher advised he did not mean to attack Mr. Wazny, but he wanted to make sure the people's ideas are going in the right area. Mr. Wazny advised the people come first and the ambulance personnel in his opinion come second. The two governments want to do everything they can to make sure the ambulance service runs in a smooth, orderly fashion and in a manner that does not cost the community a lot of undo stress and money. Don Hornus asked what action would be taken. Mr. Wazny advised the ambulance board intends to do whatever it takes to put the ambulance service back on the right track. No one was present to bully or push anyone. He further advised he does not intend to throw good money away. If Caledonia Township pays the bills, then the township should make the decisions and that is the reason for the by-law change. He also advised he felt the by-law changes are extremely necessary, and the ambulance service should be run by the two major groups. Lisa Higbee stated she is a paramedic for the Corunna ambulance service, and it is very disheartening and hard to listen to people who have the ambulance service's best interest in mind when she was not sure the people making the decisions know what the employees do. She further stated she also works for Owosso Township, and she would hate to pull a call in the City of Corunna from Owosso Township if someone was not breathing. The service will be provided to the citizens but at what cost. Ms. Higbee invited the council and township board members to tag along with the ambulance service personnel to see what is done. She advised there have been comments made about bad management, but the manager the ambulance service has now is one of the best she has seen, and she has been with the ambulance service for ten years. It is hard to listen to people in dress shirts make decisions for people in combat boots. She further advised she knew the situation was getting bad but did not realize the situation was at this point. Mr. Wazny asked Ms. Higbee if she had any suggestions on how to solve the problem. Ms. Higbee advised she would not know where to start. She asked why the employees or operations manager would not have a vote. Mr. Wazny advised an employee should not vote on his or her work conditions or pay issues. This is something that should be done by the ambulance board. He further advised the ambulance board should tell the employees when to come to work and what the wages are. Ms. Higbee stated she understood there are a lot more issues than work conditions. Mr. Wazny advised that is what the operations manager should bring to the meeting. He further advised the board is not going to cut the employee's pay or hours, but at the same time the board needs to be able to bring the ambulance service to the next step. If people think the two governments are blowing smoke, then the people are wrong. Scott Johnson stated he sat on the ambulance board five years ago, and the board made some changes at that time. A lot of the ambulance service's problems started a long time ago, and he would hope the Caledonia Township and the City of Corunna boards would take a look at the problems that occurred before the contract was entered into with Lansing-Mason. He further stated the ambulance service has always had problems, but the service has always struggled through them. The volunteers have stuck together and did what the manager wanted the volunteers to do. Mr. Johnson advised the

ambulance service needs help to stay alive. The public thinks these problems have happened within the last year, but they happened many years ago. Mr. Wazny stated he reviewed the old agreements and the people who were in charge at that time, and there were some big mistakes made from a certain point forward. The mistakes that were made on the signed contracts are what have gotten the organization into the mess that they are in today. Mayor Corey stated the work that the volunteers do is not under discussion tonight. The board knows the work the volunteers do is good. He further stated the ambulance service is in financial trouble, and the volunteers will not be allowed to continue the good work unless the financial part is taken care of. Mrs. Hornus asked where the money would come from. Mr. Wazny advised the two governmental units are looking at different options. Mrs. Hornus asked if the money would be coming from the taxpayers. Mr. Wazny advised yes, the two boards are looking at ways to provide more services for the citizens. Mrs. Hornus stated she understood that, but if January 11, 2002 is the deadline, then where will the money come from. Mr. Wazny advised he would imagine the City of Corunna and Caledonia Township would come up with some solutions. He further advised maybe Venice Township, New Haven Township, and Shiawassee Township would also be able to come up with a solution. Mrs. Hornus asked if \$10,000 had already been given to the ambulance service. Mr. Wazny advised no, this has to happen by January 11, 2002. Jim Diebler stated the Corunna ambulance service is not the only ambulance service that owes Lansing-Mason money. He further stated he is not use to the political part of this situation. He has sat in on the board meetings and has heard negative things about the operations manager. He also stated the employees tried to warn the previous board about the first billing service, but the employees were told to "shut up". The current manager cannot be blamed because she had everything dumped in her lap. Mr. Wazny advised the ambulance board does not blame the current manager. He thought it was pretty clear that he meant the previous manager. Mr. Diebler advised as far as he was concerned Ms. Johnson is a female Mrs. Bush. Homer Bennett stated he wanted to commend the two governments for having the meeting. He further stated he does not think the ambulance service could be operated at \$10.00 per household. He also stated he was one of those persons who did not vote for the by-law changes because he did not think it was fair not to give the other townships representation, and he did not get a copy of the proposed changes until the night of the ambulance board meeting. Mr. Bennett advised if the City of Corunna and Caledonia Township would support the current ambulance service in order to get it back on track, then he would vote to let the ambulance board do what needs to be done if there is no other choice. He further advised it would be a disservice to let the Corunna Area Ambulance Service die so he would switch his vote to go along with the City of Corunna and Caledonia Township if the two governments would agree to keep the ambulance service going. The community needs the ambulance service more than it needs Homer Bennett sitting on the ambulance board. Geraldine Hagadon stated in September or October an identical draft of the proposed by-law changes was handed to the ambulance board members so Mr. Bennett could not say this was the first time he saw the by-law changes. Mr. Bennett advised that was correct, but he did not know the board was still looking at going with seven board members, but there were some things that needed to be ironed out. Ms. Hagadon advised the Caledonia Township board has until the end of the year to decide whether to renew the ambulance service contract, but the Internal Revenue Service situation was one of the big decisions that had to be made tonight. Mr. Butcher asked if the city and township would turn their back on the ambulance service if the by-law changes do not pass. Mr. Wazny advised it would be up to the city council and township board to decide that, and it would not be proper for the two boards to discuss that situation since

each member of the board would make his or her decision. Mayor Corey advised there would be no voting unless a motion is made. The two government boards were here to discuss the issue, but if someone from each board wanted to make a motion then it is up to the two boards to discuss the motion and decide whether to vote for or against the motion. Ms. Hagadon advised she felt the ambulance personnel was taking the issue personally, but the issue was not a personal thing. The ambulance service has to get out of debt and correct decisions have to be made. She further advised if the ambulance service cannot get its money in order then the service will not survive. There are too many bleeds, and the money will disappear unless changes are made. Glenn Spencer stated the problem right now is money, and the ambulance service is still bleeding. The new billing company is not at full force yet since they are just starting out. He further stated the past billing company and ambulance board did not stop the problem of writing off ambulance runs instead of pursuing them. The last two billing companies did not bill for services like the companies should have billed. Mr. Spencer advised the previous ambulance board should have stopped the first billing company a long time ago, but the board did not do that. The people who work for the ambulance service tried to get the billing situation turned around but could not. He further advised he realized the two governments need to come up with a cash flow in order to stop the bleeding, but the new billing company has got a great track record. If the billing company brings in the money like they are suppose to and the per household fee is increased, then there will be enough money available to put in the bank in order to purchase a new ambulance or supplies and make payroll. He also advised if the two governments come up with the money to make the ambulance service solvent, then he did not think the two governments would have to continually put money into the ambulance service to bail the service out. Judy Horton stated she does not want to see the ambulance service go away. Luckily, she has not had to use the service, but she knows the service is there just like the fire department. Ockerman moved, Sanderson seconded to instruct the Ambulance Board representative to request that the Ambulance Board call a special meeting of its board to consider revising the Ambulance Board By-laws to modify the Board of Directors membership to consist of two (2) Corunna elective officers, two (2) Caledonia Township elective officers, and three (3) at large members, of which one (1) shall be appointed by the Corunna City Council, one (1) shall be appointed by the Caledonia Township Board, and one (1) shall be appointed by New Haven Township.

Roll call vote:

Yes: Jessen, Runyan, Mehigh, Ockerman, Sanderson.

No: None.

Motion CARRIED

Ockerman moved, Mehigh seconded to terminate the service agreement with Corunna Area Ambulance Service for contract violations if the Board of Directors does not modify the membership of the Board of Directors by the 2nd of January, 2002.

Roll call vote:

Yes: Sanderson, Mehigh, Jessen, Ockerman, Runyan.

No: None.

Motion CARRIED

Mr. Wazny stated he wanted the ambulance board to set up a special meeting for January 2, 2002 at 7:00 p.m. He further stated the ambulance board is welcome to hold the meeting at the township hall if they would like. Mr. Sawyer advised the city council has a Committee of the Whole meeting scheduled for January 2, 2002 at 7:00 p.m. Mayor Corey asked if that meeting would interfere with the ambulance board meeting. Mr. Sawyer advised yes. Councilperson Ockerman stated the Committee of the Whole meets four times a year and did not know if anything was on the agenda. Mr. Sawyer advised the softball lease is on the agenda. Mayor Corey stated the ambulance board meeting was of greater importance and suggested postponing the meeting date. Ockerman moved, Jessen seconded to cancel the Committee of the Whole meeting scheduled for January 2, 2002. Councilperson Ockerman asked if another date in January was available to accommodate the softball commission. He suggested scheduling the meeting for the next regular council meeting. Mr. Sawyer asked council if they could meet at 6:30 p.m. Council was in agreement.

Roll call vote:

Yes: Sanderson, Mehig, Johnson, Jessen, Ockerman, Runyan.

No: None.

Motion CARRIED

Mehig moved, Sanderson seconded to start the regular council meeting on January 7, 2002 at 6:30 p.m.

Roll call vote:

Yes: Mehig, Jessen, Runyan, Johnson, Sanderson, Ockerman.

No: None.

Motion CARRIED

ADJOURN: Mehig moved, Ockerman seconded to adjourn.

Roll call vote:

Yes: Johnson, Sanderson, Ockerman, Mehig, Runyan, Jessen.

No: None.

Motion CARRIED Time was 8:39 p.m.

STEPHEN COREY, MAYOR

LINDA M. LECUREUX, DEPUTY CLERK